

## **IC 12-19-7**

### **Chapter 7. County Financing of Certain Family and Children Services**

#### **IC 12-19-7-1**

##### **"Child services" defined**

Sec. 1. As used in this chapter, "child services" means the following:

(1) Child welfare services specifically provided for children who are:

(A) adjudicated to be:

(i) children in need of services; or

(ii) delinquent children; or

(B) recipients of or are eligible for:

(i) informal adjustments;

(ii) service referral agreements; and

(iii) adoption assistance;

including the costs of using an institution or facility in Indiana for providing educational services as described in either IC 20-33-2-29 (if applicable) or IC 20-26-11-13 (if applicable), all services required to be paid by a county under IC 31-40-1-2, and all costs required to be paid by a county under IC 20-26-11-12.

(2) Assistance awarded by a county to a destitute child under IC 12-17-1.

(3) Child welfare services as described in IC 12-17-3.

*As added by P.L.36-1994, SEC.24. Amended by P.L.119-1996, SEC.1; P.L.1-1997, SEC.84; P.L.139-2000, SEC.1; P.L.1-2005, SEC.137.*

#### **IC 12-19-7-1.5**

##### **Transfers to family and children's funds**

Sec. 1.5. (a) The division of family resources may transfer any of the following to a county family and children's fund:

(1) Money transferred under P.L.273-1999, SECTION 126, to the division from a county welfare fund on or after July 1, 2000, without regard to the county from which the money was transferred.

(2) Money appropriated to the division or department for any of the following:

(A) Assistance awarded by a county to a destitute child under IC 12-17-1.

(B) Child welfare services as described in IC 12-17-3.

(C) Any other services for which the expenses were paid from a county welfare fund before January 1, 2000.

(b) Money transferred under subsection (a)(1) or (a)(2) must be used for purposes described in subsection (a)(2).

*As added by P.L.139-2000, SEC.2. Amended by P.L.234-2005, SEC.55.*

### **IC 12-19-7-2**

#### **"Fund" defined**

Sec. 2. As used in this chapter, "fund" refers to a family and children's fund established by this chapter.

*As added by P.L.36-1994, SEC.24.*

### **IC 12-19-7-3**

#### **Establishment and funding of family and children's fund; tax levy and collection**

Sec. 3. (a) A family and children's fund is established in each county. The fund shall be raised by a separate tax levy (the county family and children property tax levy) that:

- (1) is in addition to all other tax levies authorized; and
- (2) shall be levied annually by the county fiscal body on all taxable property in the county in the amount necessary to raise the part of the fund that the county must raise to pay the items, awards, claims, allowances, assistance, and other expenses set forth in the annual budget under section 6 of this chapter.

(b) The tax imposed under this section shall be collected as other state and county ad valorem taxes are collected.

(c) The following shall be paid into the county treasury and constitute the family and children's fund:

- (1) All receipts from the tax imposed under this section.
- (2) All grants-in-aid, whether received from the federal government or state government.
- (3) Any other money required by law to be placed in the fund.

(d) The fund is available for the purpose of paying expenses and obligations set forth in the annual budget that is submitted and approved.

(e) Money in the fund at the end of a budget year does not revert to the county general fund.

*As added by P.L.36-1994, SEC.24. Amended by P.L.234-2005, SEC.56.*

### **IC 12-19-7-4**

#### **County family and children property tax levy sufficient to pay costs of child services in county**

Sec. 4. (a) For taxes first due and payable in each year after 2005, each county shall impose a county family and children property tax levy equal to the county family and children property tax levy necessary to pay the costs of the child services of the county for the next fiscal year.

(b) The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy and comply with IC 6-1.1-17-3.

*As added by P.L.36-1994, SEC.24. Amended by P.L.90-2002, SEC.344; P.L.1-2004, SEC.52 and P.L.23-2004, SEC.54; P.L.234-2005, SEC.57.*

Repealed

*(Repealed by P.L.234-2005, SEC.192.)*

#### **IC 12-19-7-6**

##### **Child services budget; adoption and form**

Sec. 6. (a) The department, upon the advice of the judges of the courts with juvenile jurisdiction in the county and after consulting with the division of family resources, shall annually compile and adopt a child services budget, which must be in a form prescribed by the state board of accounts.

(b) The budget must contain an estimate of the amount of money that will be needed by the department during the ensuing year to defray the expenses and obligations incurred by the department in the payment of services for children adjudicated to be children in need of services or delinquent children and other related services, but not including the payment of AFDC.

*As added by P.L.36-1994, SEC.24. Amended by P.L.46-1995, SEC.50; P.L.234-2005, SEC.58.*

#### **IC 12-19-7-7**

##### **Recommendation and examination of tax levy to meet proposed budget**

Sec. 7. The department shall, with the assistance of the judges of courts with juvenile jurisdiction in the county, after consulting with the division of family resources, and at the same time the budget is compiled and adopted, compute the tax levy that the department and judges determine will be required to raise the amount of revenue necessary to pay the expenses and obligations of the department set forth in the budget under section 6 of this chapter.

*As added by P.L.36-1994, SEC.24. Amended by P.L.46-1995, SEC.51; P.L.234-2005, SEC.59.*

#### **IC 12-19-7-8**

##### **Repealed**

*(Repealed by P.L.234-2005, SEC.192.)*

#### **IC 12-19-7-9**

##### **Certification and filing of budget and tax levy**

Sec. 9. The budget and the tax levy recommended by the department shall be:

- (1) certified to the county auditor;
- (2) filed for consideration by the county fiscal body; and
- (3) filed with the department of local government finance.

*As added by P.L.36-1994, SEC.24. Amended by P.L.234-2005, SEC.60.*

#### **IC 12-19-7-10**

##### **Form and time for budget submitted under IC 12-19-7-9**

Sec. 10. Except as otherwise provided, a budget submitted under section 9 of this chapter must be prepared and filed in the same form and manner and at the same time as the budgets and estimates of

other county officers are prepared and filed.  
*As added by P.L.36-1994, SEC.24.*

#### **IC 12-19-7-11**

##### **Time and manner for appropriations from and levy for family and children's fund**

Sec. 11. In September of each year, at the time provided by law, the county fiscal body shall do the following:

(1) Make the appropriations out of the family and children's fund that are:

(A) based on the budget as submitted; and

(B) necessary to pay the child services of the county for the next fiscal year.

(2) Levy a tax in an amount necessary to produce the appropriated money.

*As added by P.L.36-1994, SEC.24. Amended by P.L.46-1995, SEC.53; P.L.234-2005, SEC.61.*

#### **IC 12-19-7-11.1**

##### **Meeting and presentation of reports to county fiscal body and judges**

Sec. 11.1. (a) The judges of the courts with juvenile jurisdiction in the county and the department shall meet with the county fiscal body at a public meeting:

(1) in April; and

(2) after June 30 and before October 1;

in each year.

(b) At a meeting required in subsection (a), the department shall present to the county fiscal body and the judges the following reports:

(1) Expenditures made:

(A) during the immediately preceding calendar quarter from the family and children's fund in comparison to one-fourth (1/4) of the budget and appropriations approved by the county fiscal body for the calendar year; and

(B) from the fund in the corresponding calendar quarter of each of the two (2) preceding calendar years.

(2) Obligations incurred through the end of the immediately preceding calendar quarter that will be payable from the family and children's fund during the remainder of the calendar year or in any subsequent calendar year.

(3) The number of children, by category, for whom the family and children's fund was required to provide funds for services during the immediately preceding calendar quarter, in comparison to the corresponding calendar quarter of each of the two (2) preceding calendar years.

(4) The number and type of out-of-home placements, by category, for which the family and children's fund was required to provide funds for foster home care or institutional placement, and the average daily, weekly, or monthly cost of out of home

placement care and services by category, during the immediately preceding calendar quarter, in comparison to the corresponding calendar quarter of each of the two (2) preceding calendar years.

(5) The number of children, by category, for whom the family and children's fund was required to provide funds for services for children residing with the child's parent, guardian, or custodian (other than foster home or institutional placement), and the average monthly cost of those services, during the immediately preceding calendar quarter, in comparison to the corresponding calendar quarter for each of the two (2) preceding calendar years.

(c) In preparing the reports described in subsection (b), the department may use the best information reasonably available from the records of the department and the county family and children's fund.

(d) At each meeting described in subsection (a), the county fiscal body, judges, and department may:

- (1) discuss and suggest procedures to provide child welfare services in the most effective and cost-efficient manner; and
- (2) consider actions needed, including revision of budgeting procedures, to eliminate or minimize any anticipated need for short term borrowing for the family and children's fund under any provisions of this chapter or IC 12-19-5.

*As added by P.L.55-1997, SEC.3. Amended by P.L.234-2005, SEC.62.*

#### **IC 12-19-7-12**

##### **Repealed**

*(Repealed by P.L.46-1995, SEC.86.)*

#### **IC 12-19-7-13**

##### **Repealed**

*(Repealed by P.L.55-1997, SEC.37.)*

#### **IC 12-19-7-14**

##### **Repealed**

*(Repealed by P.L.55-1997, SEC.37.)*

#### **IC 12-19-7-15**

##### **Shortfall in family and children's fund; preparation of estimate and statement; certification and filing**

Sec. 15. (a) If at any time the department determines that the family and children's fund is exhausted or will be exhausted before the close of a fiscal year, the department shall prepare an estimate and statement showing the amount of money, in addition to the money already made available, that will be necessary to defray the expenses of the department and pay the obligations of the department, excluding administrative expenses and facilities, supplies, and equipment expenses for the department, in the

administration of the department's activities for the unexpired part of the fiscal year.

(b) The department shall do the following:

- (1) Certify the estimate and statement to the county executive.
- (2) File the estimate and statement with the county auditor.
- (3) File the estimate and statement with the department of local government finance.

*As added by P.L.36-1994, SEC.24. Amended by P.L.234-2005, SEC.63.*

#### **IC 12-19-7-16**

##### **Action upon shortfall estimate; borrowing powers; failure to borrow sufficient money**

Sec. 16. (a) The county executive shall consider and act upon an estimate and statement under section 15 of this chapter at:

- (1) the county executive's regular session immediately following the filing of the estimate and statement; or
- (2) a special session that is:
  - (A) called for the purpose of considering and acting upon the estimate and statement; and
  - (B) called before the executive's regular session described in subdivision (1).

(b) The county executive shall, for and on behalf of the county, borrow sufficient money to carry out the purposes described in section 15 of this chapter if after consideration of the estimate and statement the county executive finds the following:

- (1) That the department has not certified a recommendation to borrow money under IC 12-19-5.
- (2) That the amount of money required, in addition to any money already available, to defray the expenses and pay the obligations of the department in the administration of the county's child services for the unexpired part of the fiscal year, is greater than the amount of money that may be advanced from the general fund of the county.

(c) If the county executive fails to borrow sufficient money to carry out the purposes under section 15 of this chapter either under this chapter or IC 12-19-5, the department may appeal to the department of local government finance for a determination. A copy of the appeal must be filed with the county fiscal body. The department of local government finance shall immediately conduct a hearing in the county on an appeal filed under this subsection. If the department determines that insufficient money is available to carry out the purposes under section 15 of this chapter, the department of local government finance shall issue an appropriate order. The order may allow the county to reduce its general fund budget and transfer sufficient money to the fund or require the county to borrow money for the fund to carry out the purposes under section 15 of this chapter.

*As added by P.L.36-1994, SEC.24. Amended by P.L.234-2005, SEC.64.*

### **IC 12-19-7-17**

#### **Findings antecedent to proposed loan**

Sec. 17. (a) Before making a loan under section 16 of this chapter, the county executive shall record a finding that the amount of money that will be required is greater than the amount of money that may be advanced from the general fund of the county. The finding must:

- (1) set forth the estimated requirements of the department; and
- (2) direct the county auditor to call the county fiscal body into special session for the purpose of considering the making of the loan.

(b) In the notice of the special session of the county fiscal body, the auditor shall include a statement of the estimated amount of the proposed loan.

*As added by P.L.36-1994, SEC.24. Amended by P.L.234-2005, SEC.65.*

### **IC 12-19-7-18**

#### **Action by county fiscal body on proposed loan**

Sec. 18. (a) In authorizing a loan under section 16 of this chapter, the county fiscal body:

- (1) shall act by ordinance; and
- (2) may adopt the ordinance under this section at a regular meeting without giving special notice if requested by the county executive.

(b) The county fiscal body may:

- (1) finally adopt the ordinance at the meeting at which the ordinance is first presented; or
- (2) adjourn from day to day for further consideration of the ordinance.

(c) The county fiscal body is not required to make an itemized appropriation of the proceeds of the bonds at the time the bonds are issued. Except as provided in section 27 of this chapter, the entire proceeds of the bonds:

- (1) shall be placed in the family and children's fund; and
- (2) are periodically subject to appropriation as required by this article.

*As added by P.L.36-1994, SEC.24.*

### **IC 12-19-7-19**

#### **Ordinance authorizing loan**

Sec. 19. An ordinance adopted by the county fiscal body authorizing a loan under this chapter must do the following:

- (1) Authorize the issuance of the bonds of the county to evidence the loan.
- (2) Fix the following:
  - (A) The loan's maximum amount, which may be less than the amount shown by the estimate of the department.
  - (B) The number of semiannual series in which the bonds are payable, which may not exceed twenty (20).

*As added by P.L.36-1994, SEC.24. Amended by P.L.234-2005,*

SEC.66.

#### **IC 12-19-7-20**

##### **Bond issuance in series**

Sec. 20. The following apply to bonds issued under this chapter:

(1) The bonds shall be issued so that one (1) series will be payable June 30 and one (1) series December 31 of each year in which bonds are payable.

(2) The series must be as nearly equal as possible, considering the following:

(A) The amount of the issue.

(B) The number of serial maturities.

(C) The denominations to be used.

(3) The first series of bonds and the first interest payments must be payable June 30 of the year following the establishing of the annual tax levies immediately following the date of the issue.

(4) The county fiscal body may provide that the first two (2) series of bonds mature in the year following the year in which the bonds were issued if:

(A) issuance of the bonds is authorized by the county fiscal body at the fiscal body's regular meeting held for the purpose of establishing tax levies for the following year; and

(B) provision is made for the payment of the bonds and interest that are payable in the following year.

*As added by P.L.36-1994, SEC.24.*

#### **IC 12-19-7-21**

##### **Proceeds of bonds insufficient; additional loans**

Sec. 21. If the proceeds of the bonds authorized under this chapter are insufficient to enable the county to administer the child services of the county for the unexpired part of the fiscal year, additional loans may be made for that time.

*As added by P.L.36-1994, SEC.24.*

#### **IC 12-19-7-22**

##### **Orders upon adoption of bond ordinance; bond denomination and interest**

Sec. 22. (a) After the adoption of the bond ordinance by the county fiscal body, the county executive shall enter an order that does the following:

(1) Fixes the exact amount of the proposed loan. The amount of the proposed loan must be the maximum amount provided in the bond ordinance less any amount to be advanced from the general fund of the county.

(2) Fixes the exact rate of interest on the bonds or provides that the interest rate must be the lowest interest rate bid on the bonds. The interest rate may not exceed the maximum interest rate provided in the bond ordinance.

(b) The county executive may:

(1) fix the denominations of the bonds; or



(2) provide that the bonds shall be issued in denominations requested by the successful bidder.

(c) The denominations selected under subsection (b) may not change the amount of the serial maturities of the bonds.

(d) The county executive shall adopt the form of bond to be used in the issuance of the bonds. The form shall be substantially followed in the issuance of the bonds.

*As added by P.L.36-1994, SEC.24.*

#### **IC 12-19-7-23**

##### **County auditor notice of loan and bond issuance**

Sec. 23. Upon the adoption of the order of the county executive under section 22 of this chapter, the county auditor shall give notice of the determination to make the loan and to issue the bonds.

*As added by P.L.36-1994, SEC.24.*

#### **IC 12-19-7-24**

##### **Taxpayer remonstrances**

Sec. 24. The provisions of laws concerning the right of a taxpayer to file a remonstrance and to appeal to the department of local government finance apply to this chapter. However, the notice of the determination shall be given in one (1) publication. A taxpayer has ten (10) days after the date of publication to file a remonstrance.

*As added by P.L.36-1994, SEC.24. Amended by P.L.90-2002, SEC.346.*

#### **IC 12-19-7-25**

##### **Law applicable to preparation and sale of bonds**

Sec. 25. Except as otherwise provided, the provisions of the general laws relating to the preparation and sale of bonds by counties apply to the preparation and sale of bonds issued under this chapter.

*As added by P.L.36-1994, SEC.24.*

#### **IC 12-19-7-26**

##### **Publication of notice of bond sale**

Sec. 26. (a) Before the sale of bonds under this chapter, the auditor shall publish notice of the sale one (1) time each week for two (2) consecutive weeks. All publications must be made at least seven (7) days before the date fixed for the sale of the bonds. The notice must be published:

- (1) in two (2) newspapers published in the county; and
- (2) one (1) time in a newspaper published in the city of Indianapolis.

(b) If the order of the county executive provides for a bid rate on the bonds, the notice of sale must state the following:

- (1) That the order provides for a bid rate.
- (2) That the highest bidder for the bonds will be the person that offers the lowest net interest cost to the county. The net interest cost shall be determined by:

- (A) computing the total interest on all of the bonds to

maturity; and

(B) deducting any premium bid from the total interest determined under clause (A).

*As added by P.L.36-1994, SEC.24.*

#### **IC 12-19-7-27**

##### **Sale of bonds; insufficient bids**

Sec. 27. The auditor shall sell bonds issued under this chapter to the highest bidder. If a satisfactory bid is not received for all of the bonds at the time fixed in the notice of sale, the auditor may do the following:

(1) Continue the sale from day to day.

(2) Sell bonds in parcels until otherwise directed by an order of the county executive.

*As added by P.L.36-1994, SEC.24.*

#### **IC 12-19-7-28**

##### **Nature of bond obligation**

Sec. 28. (a) All bonds issued under this chapter:

(1) are direct general obligations of the county issuing the bonds; and

(2) are payable out of unlimited ad valorem taxes that shall be levied and collected on all the taxable property within the county.

(b) Each official and body responsible for the levying of taxes for the county must ensure that sufficient levies are made to meet the principal and interest on the bonds at the time fixed for the payment of the principal and interest, without regard to any other statute. If an official or a body fails or refuses to make or allow a sufficient levy required by this section, the bonds and the interest on the bonds shall be payable out of the general fund of the county without appropriation.

*As added by P.L.36-1994, SEC.24.*

#### **IC 12-19-7-29**

##### **Payments from bond proceeds; issuance costs and remaining proceeds**

Sec. 29. (a) Upon approval of the county executive, the auditor may pay out of the proceeds of the bonds without further appropriation the cost of the following:

(1) Publishing the notice of determination and the bond sale notice.

(2) The printing of the bonds.

(3) The expense for legal services incurred in the sale of the bonds.

(4) Reimbursing the general fund for advancements made to the family and children's fund.

(b) The proceeds of the bonds remaining after the payment of the costs of the issuance of the bonds shall be paid into and are a part of the family and children's fund.

*As added by P.L.36-1994, SEC.24.*

### **IC 12-19-7-30**

#### **Temporary loans**

Sec. 30. The county fiscal body may authorize and make temporary loans for the use and benefit of the family and children's fund in anticipation of current revenues of the county that are actually levied and being collected for the fiscal year in which the loans are authorized and made. Each temporary loan authorized and made under this section must be authorized and made in conformity with IC 36-2-6.

*As added by P.L.36-1994, SEC.24.*

### **IC 12-19-7-31**

#### **Issuance of county serial bonds; obligations and purposes for which permitted**

Sec. 31. Upon the affirmative vote of two-thirds (2/3) of the members of the county fiscal body, a county may issue the county's serial bonds for an amount not exceeding in aggregate the amount for which the county is indebted for the use of the family and children's fund if the following conditions exist:

- (1) The indebtedness for the use of the family and children's fund is evidenced by bonds, notes, judgments, or obligations that are:
  - (A) issued or negotiated by the county; or
  - (B) rendered against the county.
- (2) The serial bonds are issued for any of the following purposes:
  - (A) Funding or refunding the indebtedness or any part of the indebtedness.
  - (B) Reducing the rate of interest on the indebtedness.
  - (C) Extending the time of payment of the indebtedness.
  - (D) Canceling the amount of the indebtedness that becomes due.

*As added by P.L.36-1994, SEC.24.*

### **IC 12-19-7-32**

#### **Characteristics of serial bonds**

Sec. 32. The serial bonds issued under section 31 of this chapter:

- (1) may be of any denomination that is:
  - (A) not less than fifty dollars (\$50); and
  - (B) not more than one thousand dollars (\$1,000);
- (2) shall be payable:
  - (A) at any place named on the serial bonds; and
  - (B) at any time not later than fifteen (15) years after the date of the serial bonds;
- (3) may bear any rate of interest, payable annually or semiannually;
- (4) shall be sold at not less than the par value of the bonds; and
- (5) shall be sold in the manner provided for the sale of bonds

issued under IC 12-20-23.  
*As added by P.L.36-1994, SEC.24.*

### **IC 12-19-7-33**

#### **Annual tax levy**

Sec. 33. (a) The county fiscal body shall add to the tax duplicate of the county:

- (1) an annual levy sufficient to pay the yearly interest on the bonds issued under section 31 of this chapter; and
- (2) an annual levy sufficient to provide a sinking fund for the liquidation of the principal as the principal becomes due. The sinking fund shall be applied solely to the payment of the bonds.

(b) If the county fiscal body fails to levy a tax sufficient to pay the interest on the bonds or to liquidate the principal of the bonds as the principal becomes due, the county auditor shall levy the tax or increase the tax levy made by the county fiscal body in the amount necessary to pay the interest and to retire the bonds as the bonds become due.

(c) Notwithstanding any other law, the tax levy may not be reduced below the amount required under this section.

*As added by P.L.36-1994, SEC.24.*

### **IC 12-19-7-34**

#### **Repealed**

*(Repealed by P.L.119-1996, SEC.26.)*